



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

Date: 3/3/2009

GAIN Report Number: CH9013

China, Peoples Republic of

Grain and Feed

Annual

2009

Approved by:

William Westman
AgBeijing

Prepared by:

Jorge Sanchez and Jiang Junyang

Report Highlights:

China's wheat and rice acreage slightly increased in MY08/09 over the previous year as a result of heavy government intervention on the guaranteed producer price. After five consecutive years of increases in the rice and wheat acreage, Post believes the trend will continue in MY09/10 with a slight increase in the planted area supported by targeted government incentive programs. The corn area for MY09/10 is forecast to increase one percent over this year. Farmers are expected to shift to corn above any other crop in response to higher returns than soybeans. Grain stocks are estimated to return to adequate levels as a result of a five-year increase in production. China is now in a position where it could be a net exporter of wheat, rice, and corn in MY08/09 and MY09/10.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Beijing [CH1]
[CH]

Table of Contents

Executive Summary	3
Grain Production, Consumption, and Trade	4
Wheat	4
Production.....	4
Consumption	4
Trade.....	5
Stocks	5
Corn	6
Production.....	6
Consumption	6
Feed Consumption.....	6
Industrial Use.....	7
Corn Trade	8
Imports.....	8
Exports	8
Stocks	9
DDGS	9
Regulatory issues	10
Rice.....	10
Production.....	10
Consumption	11
Trade.....	11
Stocks	11
Barley	11
Sorghum	12
Policy	13
Grain Production Support Program.....	13
Subsidy and Farmer Income	13
Price Support Programs	15
Grain Procurement Prices Increase.....	15
Tariff Rate Quotas.....	16
Statistical Tables	17
PSD tables	17
Table1. Wheat PSD Table	17
Table2. Corn PSD Table	18
Table3. Rice PSD Table	19
Table4. Barley PSD Table	20
Table5. Sorghum PSD Table	21
Price Tables	22
Table6. Corn Price Table	22
Table7. Wheat Price Table	23
Table8. Rice Price Table	24
Trade Tables	25
Table9. Corn Trade Table	25
Table10. Wheat Trade Table	29
Table11. Rice Trade Table	34
Table12. Barley Trade Table	37
Table13. Sorghum Trade Table.....	39

Executive Summary

China's wheat and rice acreage increased slightly in MY08/09 over the previous year as a result of heavy government intervention on procurement prices. After five consecutive years of continued expansion in the rice and wheat acreage, Post believes the trend will continue in MY09/10. Post expects a slight increase in the planted area supported by targeted government incentive programs. The corn area for MY09/10 is forecast to increase one percent over MY08/09. Corn and wheat production attained unprecedented yields-- the highest in ten years.

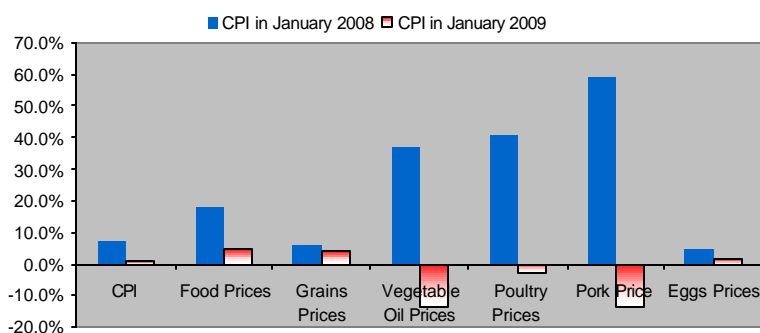
Despite a slight decrease in acreage, corn production for MY08/09 is estimated at 165 MMT, up 6 percent from the previous year, due to favorable weather patterns in MY08/09. Corn production in MY09/10 is forecast at 158 MMT. The corn area for MY09/10 is forecast to increase one percent over the previous year as farmers shift to corn in response to higher returns than soybeans. Wheat production in MY08/09 is estimated at 113 MMT, up three percent from the previous year, and rice output for MY08/09 is estimated at 193 MMT, up four percent from the previous year. Grain stocks are estimated to return to adequate levels as a result of five consecutive years of increases in grains production. China could be a net export of wheat, rice, and corn in MY08/09 and MY09/10.

Supporting the rural community and in particular raising rural incomes has topped the government agenda for the previous five years. To encourage grain production and maintain adequate profit margins for farmers, China has implemented a series of support policies, including direct payments, price supports, and a machinery subsidy. However, in MY09/10, these efforts were challenged by rising migrant unemployment and a sluggish market for agricultural goods due to the global economic slowdown. In MY09/10, the government will continue to expand support programs in the agricultural sector and for grain production. Government pronouncements on China's food security commitments are frequent and focus on building up adequate grains reserve levels and in meeting self-sufficiency goals for grains production.

The government of China (GOC) reiterated that it will retain its long-term self-sufficiency objective for food grains in 2008. According to the Mid-Long-Term National Grain Security Plan (2008-2020) issued in November 2008, the GOC will maintain grain self sufficiency rates at above 95 percent through 2020. The GOC believes that the greatest contribution China can make to global food security is to maintain high production, storage, self-sufficiency rates and international grain markets. Given China's status as a major importer of oilseeds (soybeans), any further reliance on trade for grains (in particular food grains), is becoming the least desirable policy objective for the GOC in a foreseeable future.

While China's rice, wheat, and corn self-sufficiency objective is implemented by central government support programs, during the previous two marketing years, these policies have produced an oversupply of rice and wheat, which allowed for some exports in MY08/09. These exports are forecast to continue in MY09/10. To prevent grain prices from falling, in MY08/09, the central government raised floor prices and the state grain reserve levels to stabilize market prices and increase rural incomes. Compared with other

Year on Year Consumer Price Index (CPI) in January



agricultural commodities, grains witnessed the smallest price swing in 2008.

Grain Production, Consumption, and Trade

Wheat

Production

Post estimates wheat production in MY08/09 at 113 MMT, up 3 percent compared to the previous year. Favorable weather conditions and improved crop management contributed to a record yield in MY08/09. Wheat acreage in MY08/09 is estimated at 24 million ha, up slightly from the previous year.

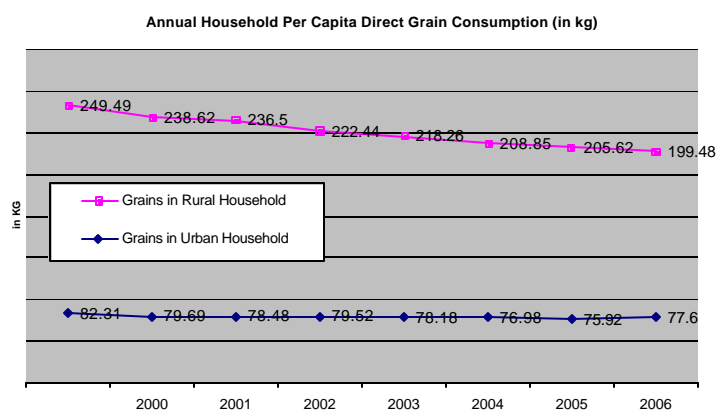
The planted area in MY09/10 is forecast at 24.3 million ha, up one percent from the previous year. Wheat production in MY09/10 is forecast at 109 MMT, 4 MMT lower compared to last year. This forecast assumes average yearly yields and not the record yield observed in MY08/09. Winter wheat acreage accounted for 93 percent of total wheat acreage in MY08/09. Winter wheat planted area in MY09/10 is estimated at 22.3 million ha, one percent higher than the previous year.

Wheat, like other grains, is considered lower risk and more stable compared with other crops such as vegetables, rapeseed, and cotton. The central government manages the wheat floor price as well as other support programs (see policy section), and both mechanisms in tandem function to guarantee reasonable profit margins for wheat growers. Winter wheat in the northern China plain is usually double-cropped with corn. Compared with rice, corn, and winter rapeseed, wheat production utilizes a much higher rate of mechanized planting and harvesting. Wheat farmers favor this crop as it requires less labor input and field management compared with oilseeds, rice, rapeseed, and vegetables.

A previous estimate by China's Ministry of Agriculture (MOA) in early February showed that about 48 percent of the winter wheat acreage was affected by drought conditions. However, the production region in mid February received sufficient rain and snowfall, which substantially improved the soil moisture. MOA's latest report showed that the drought impact on the winter wheat crop is estimated to be just slightly below the average year's production. Crop conditions will reveal the drought's actual impact on total production during the growth stage. Presently, it is difficult to assess damage as the crop is in the dormancy period which will last until late March or early April. Post estimates wheat yield for MY09/10 to be five percent lower than the previous year. Contributing to this estimate is the marginal of drought impact in the production region. The estimate also assumes average yearly yields (and not record-high MY08/09 yields).

Consumption

Overall wheat consumption has been gradually declining. As incomes rise, consumers replace carbohydrates with protein. By some estimates, per capita food-grain consumption in both rural and urban areas dropped gradually in the previous five years. According to the National Statistical Bureau (NSB), in-home per capita consumption of grain in rural households dropped to 199 kg in 2007 from 250 kg in 2000, and in-home per capita annual consumption of grain by urban households also dropped to 78 kg in 2007 from 82 kg in 2000; annually down about 3 and 1 percent, respectively. Given that the



overall nutritional conditions improve as incomes rise, the reduction in grain intake for rural populations might indicate a faster growth in protein intake than their urban counterparts.

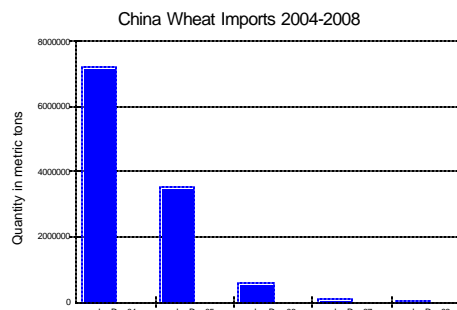
As urban demand for traditional wheat products (Chinese steamed bread) declines in favor of convenience foods, including instant noodles, biscuits, and bakery products, wheat quality is becoming more of a prominent factor for millers. Unlike traditional homemade or home-style Chinese food products, flour for processed foods requires specialized gluten content and consistency in quality. Domestic flour millers usually try to meet these requirements by blending imported wheat with lower-quality domestic wheat.

Currently, the landed price for imported U.S. wheat is nearing the price of domestic wheat. In the short term, this narrowed price spread will not translate into any sizable trade opportunities for imported wheat, unless both international wheat and freight rates decline further.

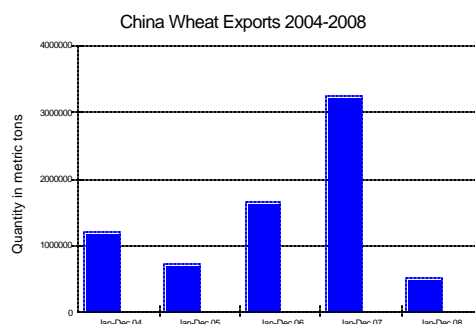
Due to the increase in production and floor price support, the domestic wheat price has been relatively stable compared to the international price. However, one externality originating from sustaining a high floor price is that the GOC is indirectly giving imported wheat a price competitive advantage. Trade sources report there is interest in importing specific wheat varieties in small volume to meet the mill's blending needs. For instance, some private mills in southern China began to purchase U.S. soft winter wheat and Australian white wheat in containers or by small lots since end of 2008. Also, in MY08/09, flour millers purchased imported wheat at auctions held by SinoGrain, a central state-owned grain reserve corporation, or its provincial counterparts. Imported wheat was purchased during 2002-2004 by the central government. Even after three or four years, the quality is still superior to that of domestic wheat.

Trade

Wheat imports for MY08/09 are estimated at 100,000 tons. Due to five consecutive bumper wheat harvests, Post estimates no significant amount of wheat imports in MY08/09 and MY09/10. Although during the market year, as the international wheat price and freight rates continue to drop, traders and millers may contract for minimal amounts of wheat. Wheat imports in MY09/10 are forecast at 150,000 tons, 50,000 tons higher than MY08/09.



China's wheat exports in MY08/09 are estimated at 400,000 tons, a sharp decline compared with the previous year due to the implementation of an export tax and the removal of a 13 percent value added tax (VAT) rebate. Wheat exports for MY09/10 are forecast at 1 MMT. Given the rise in stocks, China might resume the VAT rebate for wheat exports during the latter part of the marketing year.



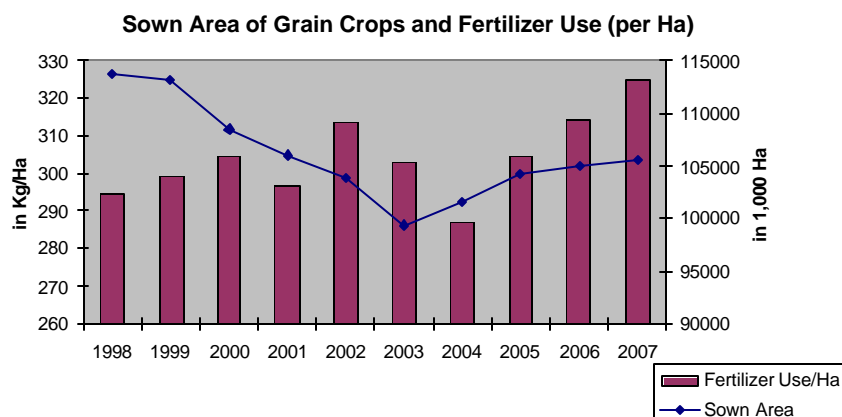
Stocks

While official grain stock level estimates are not available, Post estimates ending stocks for MY08/09 and MY09/10 will be 49.6 and 56.8 MMT, respectively, up by 10 and 7 MMT, respectively, from the previous year as a result of five consecutive bumper harvests.

Corn

Production

Despite a slight decrease in acreage, corn production for MY08/09 is estimated at 165 MMT, up 6 percent from the previous year. Sufficient rainfall and favorable weather patterns in the major production region contributed to a record yield of 5.6 mt /ha. In addition to favorable weather, improvements in crop management and increased inputs have been major factors leading to the increase in yield in MY08/09. Corn production in MY09/10 is forecast at 158 MMT, 5 MMT lower than the previous, assuming a slightly higher than average yield. The corn area for MY09/10 is forecast to increase one percent over the previous year as farmers shift to corn in response to higher returns. Official data shows that as China's grain acreage increases, fertilizer use (per ha) has grown by four percent annually in the recent three years.

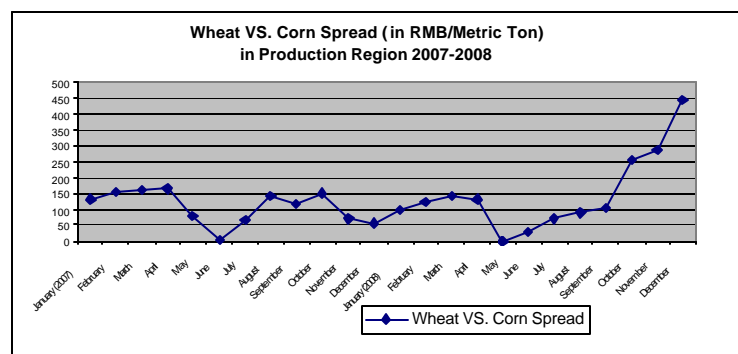


Consumption

Feed Consumption

Post estimates feed corn consumption increased five percent and will increase by three percent respectively in MY08/09 and MY09/10. Feed use is closely linked to changes in meat supply and demand, especially pork and poultry production, and accounts for the increased efficiencies in feed conversion. The latest official estimates indicate that China's meat production in 2008 rose 5.9 percent from the previous year and swine inventory rose five percent over the previous year. In 2008, the swine sector recovered from the previous year from losses to inventories due to outbreaks of animal diseases. Pork production rose close to eight percent over the previous year, while in 2007 pork production dropped nine percent as result of devastating outbreaks of swine diseases in major production regions, devastating snowstorms, and the Sichuan earthquake. In MY08/09, price surges for animal products and the government subsidy on breeding stock production stimulated growth in this sector. Increased pork supply has resulted in a 13-percent drop in CPI in January 2009 year-on-year. Pork production accounts for over 60 percent of total meat production in China, while the remaining percentage is poultry, beef, and mutton.

Traditionally, swine and poultry farmers in northern and central China substitute wheat and early season rice into their feed mix. In particular in the major production province, Guangdong, locally produced wheat and low grade rice is a common substitute for corn. In MY08/09, the rise in wheat prices narrowed the spread with corn. Wheat use in feed is now much less cost-effective; therefore, more corn is rationed in feed at both commercial and household farms.



In MY08/09, animal disease outbreaks continue to run rampant in China, though these are at a smaller scale. Combined with the impact of high prices for feed ingredients and low profit margins, animal disease outbreaks drove small household swine and poultry farms out of business in MY08/09, while large scale farms maintained their market share.

There is no national tracking system for feed corn use. MOA's China Industrial Feed

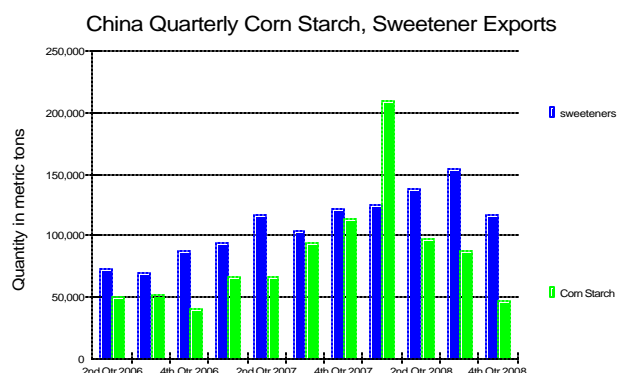
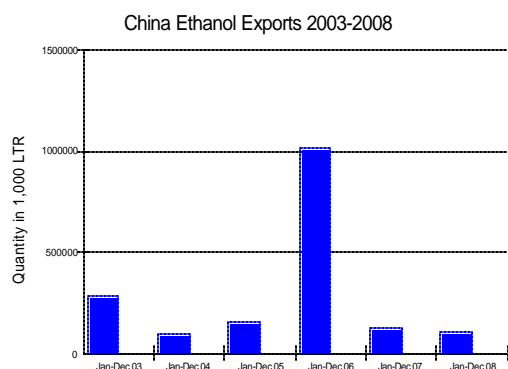
Association tracks national industrial feed production. Post estimates feed production rose four percent in 2008 to 128 MMT from the previous year. Corn content is estimated somewhere between 55 and 65 percent of industrial compound feed. Industrial feed is estimated to be between 50 and 65 percent of total feed use. At the household farm level, farmers tend to purchase concentrate, and premix feed (essential nutrient-containing) exclusively, then blend with grains to reduce costs.

China: Feed Production by Type (1,000 tons)				
	Total	Compound	Concentrate	Premix
2003	87,120	64,280	19,580	3,260
2004	96,600	70,310	22,240	4,060
2005	107,000	77,610	24,980	4,780
2006	110,590	81,169	24,560	4,861
2007	123,310	93,189	24,912	5,209
*2008	128,000	96,500	26,000	5,400
Source: China Feed Industry Office				
*Post's Estimate				

Industrial Use

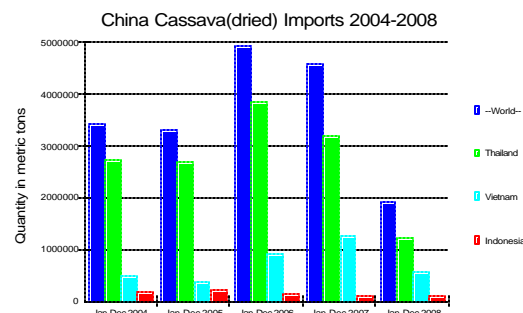
Industrial use of corn includes the production of starch sweetener, industrial and food starch, and ethanol. Post estimates corn consumption for all industrial uses totaled 33 MMT in MY08/09, down six percent from the previous year. China's starch and ethanol sectors had grown 10 percent in the last three years until mid 2008. Since then, the economic slowdown adversely impacted both domestic and overseas demand for starch, sweetener, and ethanol. In response to mounting concerns over supply shortages of corn in 2007, the central government halted the approval of new corn processing plants in 2007 and 2008.

To discourage exports, the government also removed a 13-percent VAT rebate on exports of ethanol, corn sweeteners, and other corn based processed products. Consequently, China's ethanol exports fell to a minimal level in MY08/09. The decline in international corn prices will further cut the competitiveness of China's corn starch and other processed product exports in MY08/09 and these exports are expected to drop further with the absence of government export incentives.



China's starch and ethanol sectors adopt a wide range of feed stocks for production. While corn is currently the principal ingredient for these sectors, actual corn use depends on the relative costs of corn substitutes, which include wheat, rice, sweet potatoes, and cassava.

Imported cassava has been a price competitive ingredient for China's ethanol sector after a tariff elimination on dry cassava chips came as a result of free trade agreements with Thailand and other ASEAN countries in 2003. However, because of increased corn production in MY08/09, imported cassava became much less price competitive. Thus, cassava imports were down 60 percent from the previous year.



China's Cassava Imports in 1,000 Metric Tons 2004-2008

(HS 071410)	2004	2005	2006	2007	2008	%change
Total Imports	3,439	3,326	4,945	4,619	1,950	-58%
Thailand	2,734	2,696	3,864	3,203	1,248	-61%
Vietnam	518	402	935	1,273	585	-54%
Indonesia	186	228	145	139	111	-20%

Corn Trade

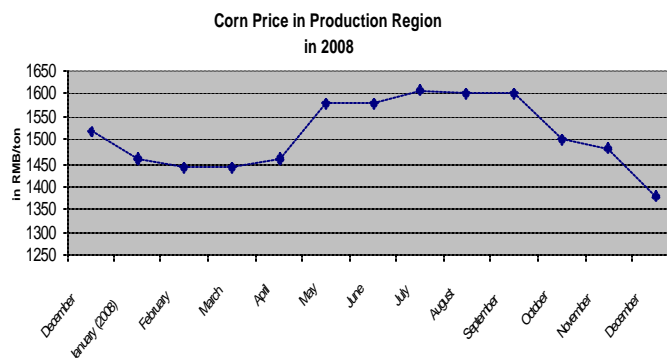
Imports of corn are estimated at 100,000 tons in MY08/09. Post forecast that no panamax or container ocean shipments will be commercially viable for U.S corn exports to China in MY09/10. China's corn exports for MY08/09 are estimated at 500,000 tons. Corn exports for MY09/10 are forecast at 800,000 tons. Corn has a similar floor price program as wheat. The grossly elevated price of domestic corn added by support programs potentially increases the price competitiveness for imported corn.

Imports

According to trade sources, the current landed price for imported U.S corn in Guangdong port is calculated at \$ 247/ton for April shipment, which is about \$10 higher than domestic corn. Most imports come by way of border trade with southeastern Asian neighbors. Post forecasts this trade pattern will remain unchanged in MY08/09. Due to the increase in corn production, the domestic corn price dropped five percent in MY08/09 over the previous year. In MY08/09, the landed price for U.S. corn will likely remain uncompetitive with Chinese corn (in Guangdong).

Exports

Corn exports MY08/09 are estimated at 500,000 MT. Corn exports for MY09/10 are forecast at 800,000 MT. As the government increases focus on ensuring domestic grain supply, even with bumper harvests, the government would rather purchase corn from farmers and add it to the national reserves than allow for export. The declining global corn price and ocean



freight rates make Chinese corn much less competitive with U.S. corn in the Asian market. The majority of China's corn exports are destined to South Korea, Japan, and Southeast Asian countries.

Stocks

While official stock data is not available, Post estimates ending stocks for MY08/09 to be 52 MMT and forecasts ending stocks for MY09/10 to be 53 MMT, 3 MMT higher than the previous year.

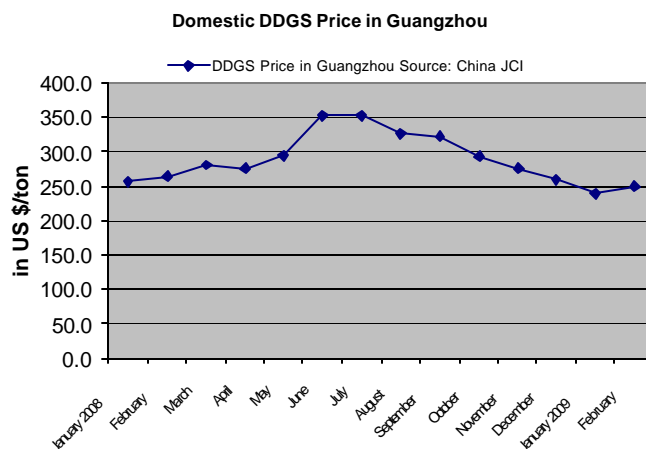
Most corn stocks are held in the production provinces of Heilongjiang, Jilin, and Inner Mongolia in northeast China. Provincial governments pay storage fees, estimated at an annual cost of \$14.7 (RMB 100) per ton. Because of the high cost of transporting corn to users in the south, in marketing years prior to 2007, these provinces lobbied the central government to provide export subsidies (see GAIN report 7015) for export to nearby Asian markets. However, since the end of 2007, incentives on exports have been abolished.

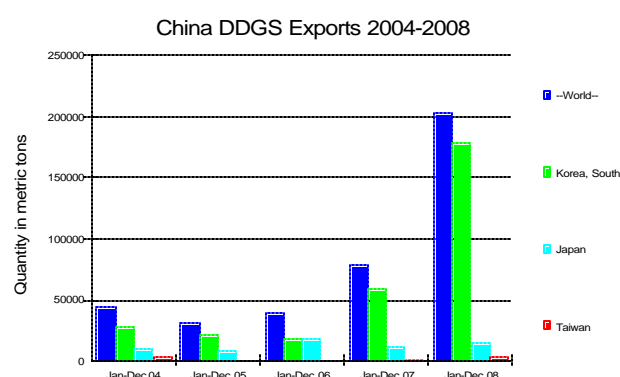
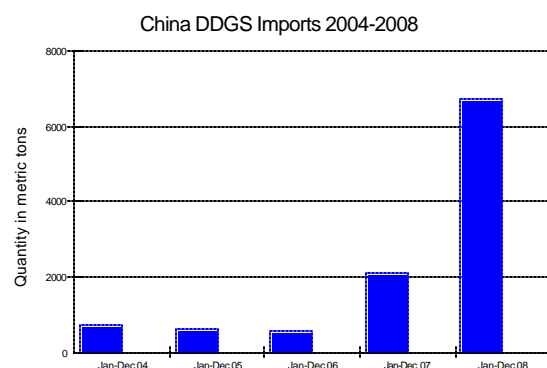
DDGS

Domestic distillers dried grains with solubles (DDGS) production is estimated at 2.5 MMT in MY08/09, unchanged from the previous year. Though lower in protein content than protein meals, DDGS are frequently substituted for oilseed meal depending on relative prices. There is no national labeling and packaging standard for DDGS. The limited availability of DDGS and the variation in quality (depending on the price and availability of feedstock) make it difficult for feed millers to incorporate DDGS into commercial feed production.

In 2008, China's DDGS imports tripled over the previous year, reaching 6,700 metric tons. Most of the DDGS were shipped by container and used by dairy farmers and feed mills in Guangdong province in south China. Industry sources report that imported DDGS has better quality compared to domestically produced DDGS. As a substitute for protein meal and corn, the price competitiveness of DDGS is closely linked to the price movement for protein meal and corn. The rise in trade is also attributed to the successful marketing and educational seminars arranged by the United States Grains Council.

In MY08/09, the government restricted grain exports by removing the VAT rebate and by imposing an export tax; however, DDGS exports were not restricted. In 2008, taking advantage of rising international prices, China's DDGS exports rose 260 percent over the previous year, reaching 204,000 metric tons. All DDGS exports, loaded in northern Chinese ports were destined to neighboring countries such as South Korea, Japan, and Taiwan.





DDGs – China - Imports in metric tons							
Country	2002	2003	2004	2005	2006	2007	2008
--World--	1,652	739	785	639	621	2,153	6,741
United States	0	0	0	0	0	101	6,007
Brazil	1,228	407	281	154	255	325	351
Japan	354	321	494	466	343	225	225
DDGs - China - Exports							
Country	2002	2003	2004	2005	2006	2007	2008
--World--	12,311	16,711	44,373	32,211	39,838	79,108	203,826
Korea, South	8,672	7,005	28,362	21,542	19,416	59,234	178,511
Japan	3,093	7,187	10,595	9,156	19,181	13,076	15,757
Taiwan	0	1,164	3,534	145	143	684	3,980
(HS:230330)							

Regulatory issues

According to MOA regulations, DDGS suppliers are currently required to apply for feed registration permits (See GAIN Report CH8012 and CH7015). AgBeijing and U.S. industry representatives are working with MOA to revising these procedures. (See Gain report CH8012 for application procedure). Once feed registration procedures are modified the outlook for future bulk DDGS shipments (rather than containerized) will improve.

Rice

Production

Total rice production is estimated at 193 MMT (unmilled) in MY08/09, up four percent from the previous year. Estimated area planted is 29.2 million Ha, up slightly from the previous year. Early-season rice production is estimated at 32 MMT, unchanged from the previous year. Because of favorable weather conditions for Japonica varieties and late season rice, yields are estimated to reach record high levels. The average rice yield for Japonica and indica rice in MY08/09 is estimated at 6.6 tons/Ha.

Rice production for MY09/10 is forecast at 190 MMT, down 1.5 percent from the previous year, assuming an average yield. Acreage is forecast to rise slightly from the previous year. The

central government's price support program (see Policy section) has guaranteed reasonable returns for rice farmers.

Consumption

MY08/09 consumption is estimated at 129 MMT (milled), up one percent from the previous year. Indica rice varieties have been a predominant staple food for the population in southern China, while Japonica rice varieties are traditionally popular in northern China where people also favor wheat flour based staple foods. As discussed in the wheat section, surveys show per capita in house grain consumption (including rice and wheat) is declining by over 1 percent annually and this trend is projected to continue.

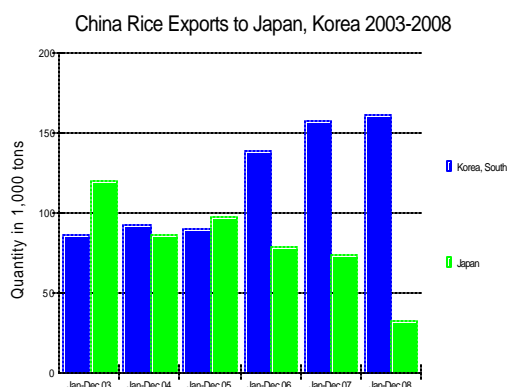
In addition to food use (for human consumption), low quality early rice varieties and stale or rancid rice reserves are used to feed swine and poultry in both commercial farms and rural households. In MY08/09, because of a decline in corn prices, the portion of rice and wheat used for animal feed will decline. In southern provinces, rice quality could deteriorate and become unsuitable for human consumption due to high humidity levels and improper storage. While there is no reliable data on feed rice use, Post estimates that approximately 10 MMT of rice (unmilled) is used for feed annually.

Trade

Rice imports for MY08/09 are estimated at 330,000 tons. Rice imports for MY09/10 are forecast at 350,000 tons, up 6 percent from the previous year. Most of the rice imports are Thai fragrant rice, which are consumed in affluent coastal cities.

Rice exports in MY08/09 are estimated at 1.5 MMT. Rice exports in MY09/10 are forecast at 1.8 MMT. Most of China's rice exports are low quality indica shipped to African countries. China also exports Japonica varieties to Japan, Russia, and South Korea. These exports are small in volume but highly profitable, and are expected to continue.

With regard to rice exports to Japan, trade sources reported that the new Japanese MRL testing requirements for pesticides and other chemical residues on rice exports adversely impacted China's exports to Japan since 2006. Some Chinese indica rice varieties have had difficulties complying with Japan's MRL test.



Stocks

While official stock level data are not available, Post estimates that ending stocks for MY08/09 are 42.9 MMT (milled), and are forecast to reach 44.4 MMT in MY09/10 due to five consecutive years of increases in production.

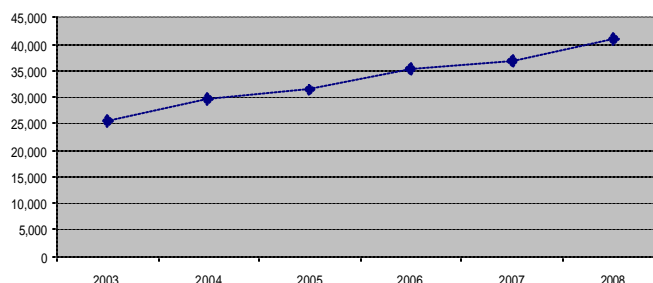
Barley

The MY08/09 barley area is estimated at 890,000 Ha, up 15 percent over the previous year principally as a result of an increase in producer prices driven by demand from the brewery sector and tight global supplies. Production is estimated at 3.3 MMT, up nearly 20 percent from the previous year. Post forecasts that both the barley area and production in MY09/10 will drop 20 percent from the previous year. Winter wheat competes with the barley crop. Industry contacts report that farmers shifted to winter wheat crop due to government

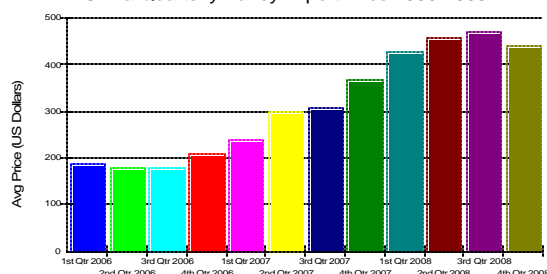
support programs for grain production. The barley acreage in Jiangsu, Gansu, and Inner Mongolia Province accounts for 45 percent of the national total.

Barley in China is mostly used for brewing. Domestic barley production is inadequate to supply the expanding brewery industry. China's beer production in 2008 will exceed 41 million kilolitres, up 5 percent compared to 2007. The sector's total demand for malting barley is estimated at around 4.5 MMT annually. However, due to the high international barley price, China's MY08/09 imported barley is estimated at 1 MMT, unchanged from the previous year. Barley imports in MY08/09 are forecast up 40 percent as global supplies rebound. If international stocks remain tight and prices maintain high, domestic feed grade barley could be used as a lower cost alternative, despite the potential impact on beer quality.

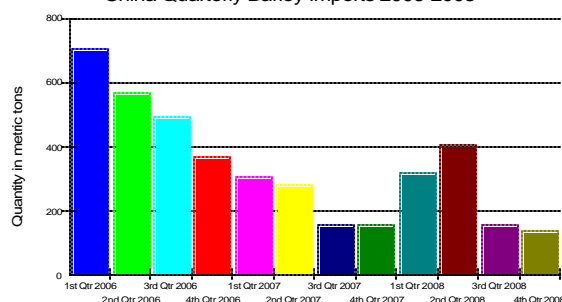
China Beer Production 2003-2008
(in 1,000 liter)



China Quarterly Barley Import Price 2006-2008



China Quarterly Barley Imports 2006-2008



Due to the high barley prices in recent years, brewers have reduced the usage of malting barley and lowered the wort density with efforts on marketing the beer with a lighter taste. Other ingredients include rice, wheat, and syrup, which are also frequently used by the brewers.

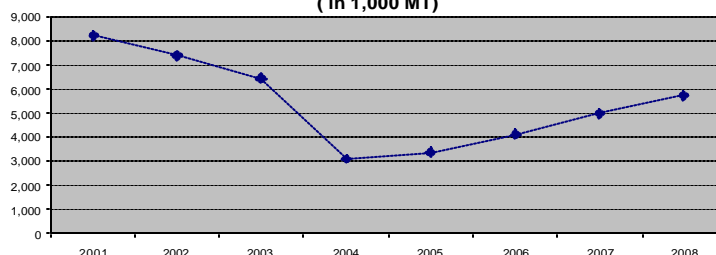
Currently, neither MOA nor provincial authorities consider barley an important feed grain, nor is it a crop with production assistance.

Sorghum

Post estimates the sorghum planted area in MY08/09 is down 10 percent from the previous year at 450,000 Ha. Production is down 6 percent to 1.8 MMT due to the decrease in acreage. The MY09/10 sorghum planted area and production is forecast to fall by 5 and 6 percent, respectively. The forecast reduction in acreage reflects northeastern China farmers' intention to switch to the more profitable crops like corn. Sorghum is mostly planted on marginal land with no irrigation.

While some sorghum is used for feed, the majority, approximately 1.5 MMT, is used for hard liquor (ethanol-based) production. Production of hard liquor is estimated at 5.5 MMT in

China Hard Liquor Production 2001-2008
(in 1,000 MT)



2008, up 15 percent from the previous year. Hard liquor consumption is forecast to rise as consumer incomes increase and effective marketing campaigns by distillers promote the gift-giving of traditional Chinese alcohol. Promotions in recent years include significant prime time television and multiple media advertisements.

Currently, neither MOA nor provincial authorities consider sorghum an important feed grain, nor is it a crop eligible for production assistance.

Policy

In 2008, the GOC reiterated that it will retain its long-term self-sufficiency objective for food grains. According to the Mid-Long-Term National Grain Security Plan (2008-2020) issued in November 2008, the GOC will maintain grain self sufficiency rate at above 95 percent through 2020. Another target outlined in the Plan includes maintaining the annual grain sown area above 100 million Ha and increasing average grain yield from 4.74 ton/Ha in 2008 to 5.25 ton/ha in 2020, or a one-percent increase year-on-year. (China defines grains to include wheat, rice, corn, and tubers). Generations of Chinese leaders have deemed that achieving grain self sufficiency for a population of 1.3 billion is a great contribution to the world stability and grain security.

In a separate document issued by the Central Communist Party Committee (marking the 30th anniversary of China's opening and reform since 1978), the GOC outlined a strategic target for rural income growth rates at 6 percent annually from 2008 to 2020.

Grain Production Support Program

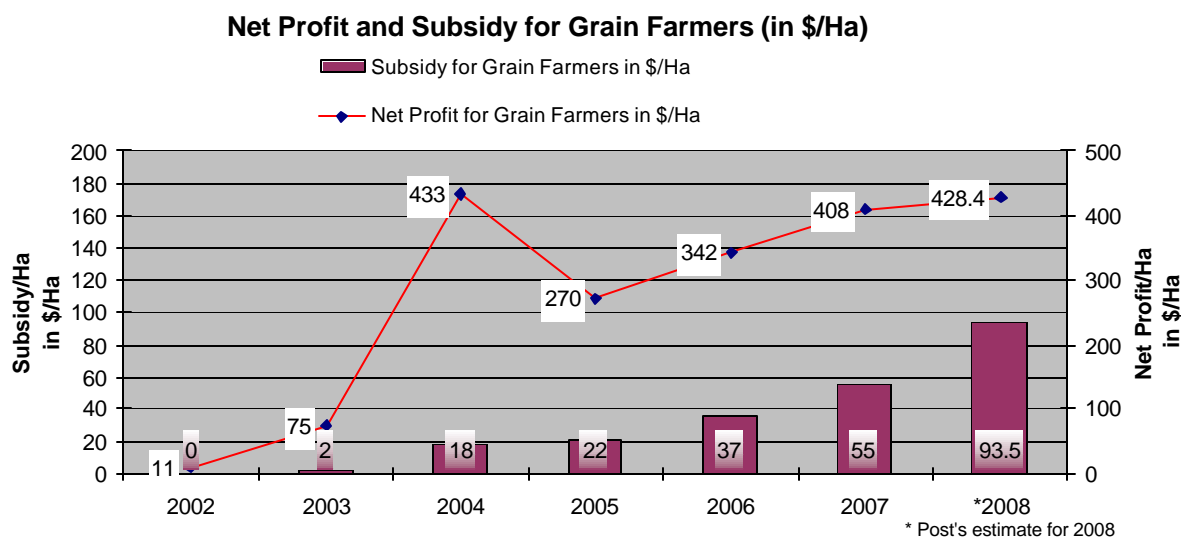
Subsidy and Farmer Income

Supporting the rural community and raising rural incomes have topped the government agenda for the last five years. To encourage grain production and maintain profit margins for grain farmers, China implemented a series of policies, effective since 2004, including the elimination of taxes on agricultural land, direct payments to grain farmers, adjustments to price support programs, and in 2005, a subsidy for the purchase of farm machinery. In 2006, in addition to the existing VAT exemption for farm use of seed and fertilizers, China added a direct subsidy for farm use of fuel and fertilizers. (For how these programs are implemented, see GAIN CH8012 Policy section)

In MY08/09, the GOC expanded all these supporting programs and pledged to extend these existing programs in MY09/10, with more funds earmarked. The direct grain subsidy (payment to grain farmers), seed subsidy, farm machinery subsidy, and comprehensive subsidy totaled \$15.1 billion (RMB 102.86 billion) in 2008, nearly double from the previous year, according to the state media. Post estimates that the aggregated subsidy of these programs (per Ha basis) rose 70 percent in 2008 over the previous years, and the subsidy accounted for about 22 percent of net profit margins for grain farmers in MY08/09. These programs also combined to offset the impact of a higher rise in agricultural production costs. The price increase for agricultural inputs (including agricultural chemicals, fuels, and machinery use) is estimated to have risen 20 percent in 2008 compared to the previous year.

Government Support Programs in 2006-2009 (in million \$)					
	Direct Payment	Seed Subsidy	Machinery Subsidy	Fuel/fertilizer Subsidy	Total
2009	2,221	Na	1,471	10,529	17,647
2008	2,221	1,775	588	9,382	15,126
2007	2,221	979	294	4,059	7,553
2006	2,088	603	88	1,838	4,618
2005	1,941	574	44	0	2,559
Note: the 2007, 2008 seed subsidy covers soy bean, rice, wheat, corn, rapeseed and cotton. Exchange rate: 1\$=6.8 RMB					

Subsidy and Net Profit for Grain Farmers (in \$/Ha)							
	2002	2003	2004	2005	2006	2007	*2008
Subsidy/Ha	0	2	18	22	37	55	93.5
Net Profit/Ha	11	75	433	270	342	408	428.4
Source: NDRC							



While lower than their urban counterparts, in 2008, net per capita rural income rose by eight percent to \$700 (RMB 4,761), according to state media sources. For grain farmers, Post estimates that the average net profit/Ha (wheat, corn, and rice) in 2008 will grow five percent over the previous year driven entirely by government support programs.

Supporting rural income growth will play a crucial role in sustaining rural development; however, this effort in MY09/10 is challenged by rising migrant unemployment and sluggish markets for agricultural goods due to the global economic slowdown. In MY09/10, the food security production targets set by the GOC indicate that support programs for the agricultural sector, especially for grain production will continue in years to come.

While China's rice, wheat, and corn self-sufficiency objective is implemented through these support programs during the previous two marketing years, these policies have produced an oversupply of rice, wheat, and corn, allowing for some exports, which will continue in MY09/10.

Price Support Programs

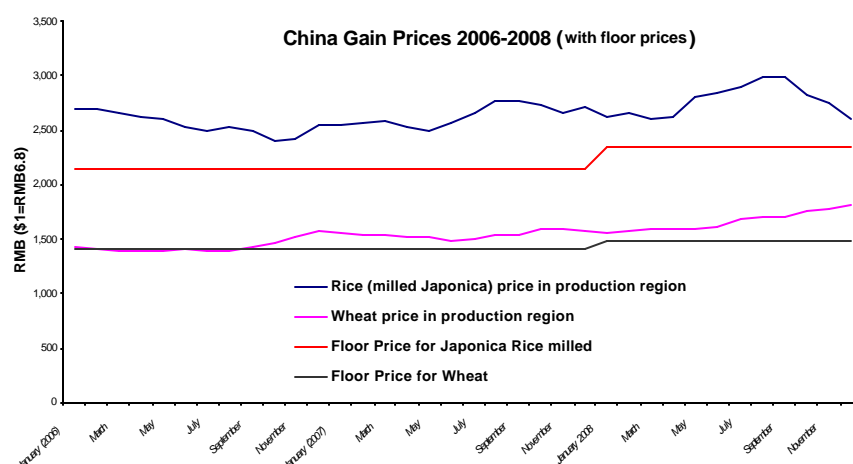
Grain Procurement Prices Increase

In 2008, the central government continued its price support program for major producers of rice, wheat, and corn. Provinces covered by the floor price program were Heilongjiang, Jilin, Liaoning, Inner Mongolia, Shandong, Hebei, Henan, Anhui, Jiangsu, Shanxi, Hunan, Hubei, and Jiangxi provinces. These 13 provinces are located in the grain-surplus regions that produce about 80 percent of nation's commercial grains (including wheat, rice, corn, and soybeans) to meet the demand in other grain-deficit provinces.

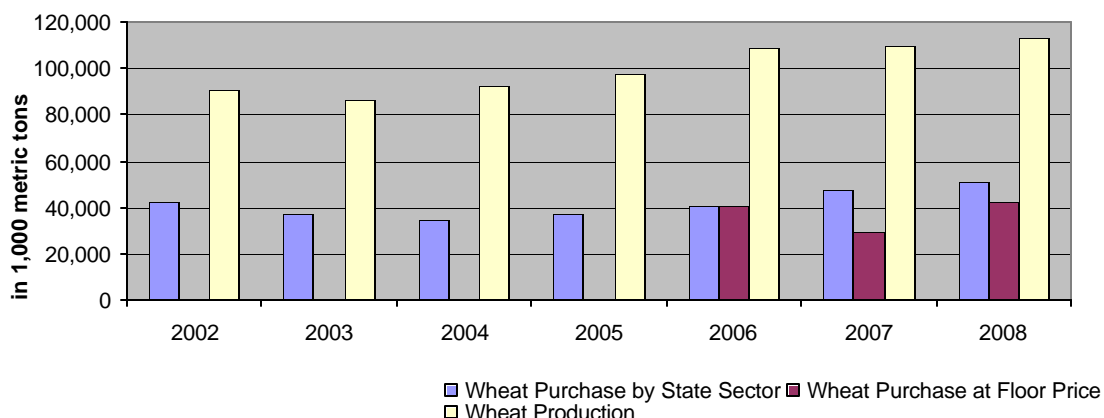
The floor price is set yearly by the National Development and Reform Commission (NDRC) in collaboration with the Ministry of Finance, the State Administration for Grains (SAG), the China Agricultural Development Bank (CADB), and MOA. Implementation is by SAG and the quasi-governmental SinoGrain Corporation, and funded by loans from CADB. Loans are recovered by commodity sales later in the marketing year or in subsequent marketing years. To maintain a reasonable profit margin for grain farmers and offset the rise in production cost, the government raised the floor price for both rice and wheat in 2008. In January 2009, the NDRC announced that the floor price for wheat and rice in MY09/10 will increase by 14 and 16 percent respectively from the previous year.

Average market prices have been up for wheat and rice in MY08/09, 11 and 4 percent, respectively, over the previous year. The average corn price in MY08/09 was 5 percent lower than the previous year. Current market prices for wheat and rice are above the floor prices and mostly driven by government auctions of grains purchased in MY08/09 and previous years. Take wheat for example, during the designated purchase period, (normally in the months after harvest,) the state designated grain storage companies to purchase wheat from farmers at a preset floor price. During the previous three years, the wheat procurement floor price averaged about 34 percent of China's total wheat production.

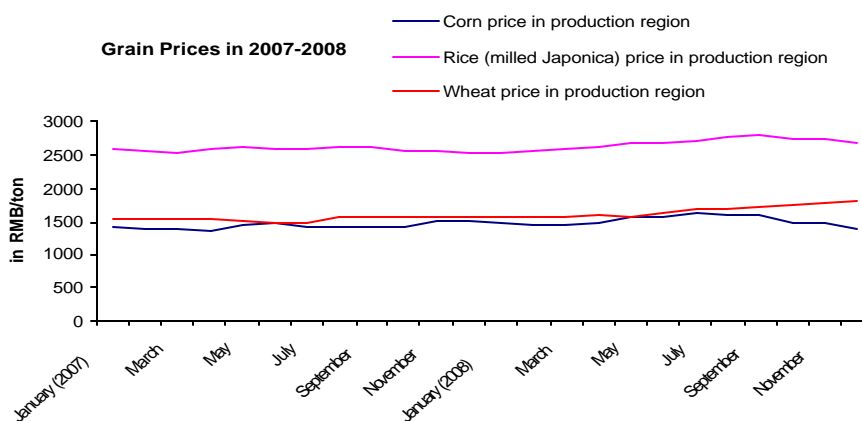
Government Floor Price for Grains in 2007-2009 (RMB/ton)					
	2007	2008	2009	Growth	Purchase Period
Rice					
Early Indica (unmilled)	1440	1540	1800	17%	July-Sept
Japonica (unmilled)	1500	1640	1900	16%	Nov-Feb
Wheat					
White Wheat	1440	1540	1740	13%	May- Sept
Red Wheat	1380	1440	1660	15%	May- Sept
Wheat Average Floor Price	1410	1490	1700	14%	
Corn					
Corn Average Floor Price	1400	1500			Nov-March



Wheat Production and Government Purchase (including purchase at floor price)



For corn, the purchase program covers the northeastern provinces including Heilongjiang, Inner Mongolia, Jilin, and Liaoning in MY08/09. Due to a record-year production in MY08/09, the average corn price in MY08/09 is five percent lower than the previous year. In response to corn farmer interests, the government announced the corn purchase price at \$220.5/ton (or RMB 1,500/ton) after harvest. The planned purchase will reach 40 MMT, accounting for 25 percent of total national output. Purchased corn will be stored as a provisional reserve, and will be auctioned later during the market year.



It is worth noting that the floor price program in MY08/09 has functioned to stabilize price fluctuations for wheat, rice, and corn. Compared to other major agricultural goods, grains witnessed the smallest price swing in 2008. However, government bears all of the operational expense for the purchase, storage, and marketing costs.

Tariff Rate Quotas

Upon membership to the World Trade Organization (WTO), China established Tariff Rate Quotas (TRQ) for wheat, rice, corn, and several other commodities. These quotas reached final levels in 2004 and remain unchanged since then. The percentage of the quota reserved for non-state-owned enterprises is 10, 40 and 50 percent for wheat, corn, rice (short and long grain), respectively.

2008 Grain Tariff Rate Quota (TRQ):		
Allocation (Metric Tons)		
Commodity	TRQ	State Enterprise Share
Wheat	9,636,000	90%
Corn	7,200,000	60%
Rice	5,320,000	50%

Statistical Tables

PSD tables

Table1. Wheat PSD Table

Wheat China	2007			2008			2009		
In 1000 MT	2007/2008			2008/2009			2009/2010		
In 1000 Ha	Market Year Begin: Jul 2007			Market Year Begin: Jul 2008			Market Year Begin: Jul 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Harvested	23,721	23,100	23,721	24,000	23,100	24,000			24,250
Beginning Stocks	38,450	37,382	38,450	40,963	40,132	39,435			49,635
Production	109,298	106,000	109,298	113,000	105,000	113,000			109,000
MY Imports	50	50	40	100	30	100			150
TY Imports	50	50	40	100	30	100			150
TY Imp. from U.S.	16	15	12	0	10	60			60
Total Supply	147,798	143,432	147,788	154,063	145,162	152,535			158,785
MY Exports	2,835	2,300	2,353	1,500	1,000	400			1,000
TY Exports	2,835	2,300	2,353	1,500	1,000	400			1,000
Feed Consumption	6,000	6,000	8,000	9,000	7,000	5,000			4,000
FSI Consumption	98,000	95,000	98,000	98,000	94,500	97,500			97,000
Total Consumption	104,000	101,000	106,000	107,000	101,500	102,500			101,000
Ending Stocks	40,963	40,132	39,435	45,563	42,662	49,635			56,785
Total Distribution	147,798	143,432	147,788	154,063	145,162	152,535			158,785

Table2. Corn PSD Table

Corn China	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Oct 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Harvested	29,478	28,000	29,478	29,400	28,200	29,200			29,500
Beginning Stocks	36,602	38,482	36,602	39,394	36,782	39,394			51,994
Production	152,300	137,000	152,300	165,500	142,000	165,000			158,000
MY Imports	41	100	41	100	150	100			100
TY Imports	41	100	41	100	150	100			100
TY Imp. from U.S.	9	5	6	0	0	0			0
Total Supply	188,943	175,582	188,943	204,994	178,932	204,494			210,094
MY Exports	549	800	549	500	500	500			800
TY Exports	549	800	549	500	500	500			800
Feed Consumption	105,000	96,000	105,000	111,000	99,000	110,000			113,000
FSI Consumption	44,000	42,000	44,000	47,000	44,000	42,000			43,000
Total Consumption	149,000	138,000	149,000	158,000	143,000	152,000			156,000
Ending Stocks	39,394	36,782	39,394	46,494	35,432	51,994			53,294
Total Distribution	188,943	175,582	188,943	204,994	178,932	204,494			210,094

Table3. Rice PSD Table

Rice, Milled China (In 1000 HA, In 1000 MT)	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Harvested	28,919	29,600	28,919	29,200	29,500	29,200			29,500
Beginning Stocks	35,915	35,915	35,915	37,994	37,715	38,015			42,865
Milled Production	130,224	129,500	130,224	135,100	128,500	135,100			133,000
Rough Production	186,034	185,000	186,034	193,000	183,571	193,000			190,000
Milling Rate (.9999)	7,000	7,000	7,000	7,000	7,000	7,000			7,000
MY Imports	250	300	295	330	330	330			350
TY Imports	250	300	295	330	330	330			350
TY Imp. from U.S.	0	0		0	0	0			0
Total Supply	166,389	165,715	166,434	173,424	166,545	173,445			176,215
MY Exports	945	1,000	969	1,300	1,200	1,500			1,800
TY Exports	945	1,000	969	1,300	1,200	1,500			1,800
Total Consumption	127,450	127,000	127,450	130,500	126,500	129,000			130,000
Ending Stocks	37,994	37,715	38,015	41,624	38,845	42,865			44,415
Total Distribution	166,389	165,715	166,434	173,424	166,545	173,365			176,215

Table4. Barley PSD Table

Barley China In 1000 Ha, In 1000 MT	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Oct 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Harvested	950	950	773	960	980	890			712
Beginning Stocks	336	304	336	281	204	231			306
Production	3,185	3,600	2,785	3,400	3,700	3,300			2,600
MY Imports	1,091	800	1,091	1,300	1,000	1,000			1,400
TY Imports	1,091	800	1,091	1,300	1,000	1,000			1,400
TY Imp. from U.S.	0	0	0	0	0	0			0
Total Supply	4,612	4,704	4,212	4,981	4,904	4,531			4,306
MY Exports	81	200	81	25	150	25			20
TY Exports	81	200	81	25	150	25			20
Feed Consumption	750	800	400	800	800	400			200
FSI Consumption	3,500	3,500	3,500	3,900	3,700	3,800			3,900
Total Consumption	4,250	4,300	3,900	4,700	4,500	4,200			4,100
Ending Stocks	281	204	231	256	254	306			186
Total Distribution	4,612	4,704	4,212	4,981	4,904	4,531			4,306

Table5. Sorghum PSD Table

Sorghum China In 1000 HA In 1000 MT	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Oct 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Harvested	550	550	500	500	500	450			427
Beginning Stocks	95	103	95	82	128	104			104
Production	1,900	2,600	1,920	2,000	2,400	1,800			1,700
MY Imports	10	5	12	5	5	10			15
TY Imports	10	5	12	5	5	10			15
TY Imp. from U.S.	0	0	0	0	0				0
Total Supply	2,005	2,708	2,027	2,087	2,533	1,914			1,819
MY Exports	223	180	223	150	150	80			90
TY Exports	223	180	223	150	150	80			90
Feed Consumption	100	300	100	100	200	80			50
FSI Consumption	1,600	2,100	1,600	1,700	2,000	1,650			1,600
Total Consumption	1,700	2,400	1,700	1,800	2,200	1,730			1,650
Ending Stocks	82	128	104	137	183	104			79
Total Distribution	2,005	2,708	2,027	2,087	2,533	1,914			1,819

Price Tables

Table6. Corn Price Table

China's Average Corn Wholesale Prices		
(Renminbi Per Metric Ton, USD 1.00 = RMB 6.8)		
	Producing Region/1	Consuming Region/2
January (2007)	1400	1680
February	1380	1680
March	1370	1670
April	1360	1680
May	1440	1640
June	1480	1680
July	1430	1670
August	1410	1660
September	1430	1800
October	1430	1720
November	1510	1850
December	1520	1870
January (2008)	1460	1820
February	1440	1790
March	1440	1750
April	1460	1745
May	1580	1870
June	1580	1870
July	1610	1910
August	1600	1850
September	1600	1830
October	1500	1730
November	1480	1680
December	1378	1593

/1 Jilin Province/2 Guangdong Province

Source: China National Grain and Oils Information Center

Table7. Wheat Price Table

China Average Wheat(Grade2) Wholesale Price		
(Renminbi Per Metric Ton, USD 1.00 = RMB 6.8)		
	Henan Province	Jiangsu Province
January (2007)	1,530	1,550
February	1,535	1,550
March	1,530	1,520
April	1,525	1,530
May	1,520	1,520
June	1,485	1,490
July	1,495	1,430
August	1,550	1,520
September	1,550	1,540
October	1,580	1,580
November	1,580	1,620
December	1,575	1,610
January (2008)	1,560	1,600
February	1,565	1,620
March	1,580	1,630
April	1,590	1,640
May	1,580	1,630
June	1,610	1,650
July	1,680	1,630
August	1,690	1,640
September	1,705	1,635
October	1,757	1,585
November	1,768	1,710
December	1,820	1,760
Source: China National Grain and Oils Information Center		

Table8. Rice Price Table

China's Average Wholesale Japonica Rice (milled) Price		
(Renminbi Per Metric Ton, USD 1.00 = RMB 6.8)		
	Jiangsu Province	Heilongjiang Province
January (2007)	2,460	2,580
February	2,470	2,560
March	2,450	2,540
April	2,480	2,580
May	2,470	2,600
June	2,455	2,590
July	2,530	2,590
August	2,650	2,600
September	2,720	2,610
October	2,740	2,560
November	2,780	2,560
December	2,680	2,510
January	2,620	2,550
February	2,650	2,560
March	2,600	2,580
April	2,620	2,600
May	2,790	2,680
June	2,830	2,700
July	2,900	2,720
August	2,990	2,770
September	2,980	2,810
October	2,820	2,740
November	2,750	2,730
December	2,593	2,670
Source: China National Grain and Oils Information Center		

Trade Tables

Table9. Corn Trade Table

China Corn Exports by Destination, MY 2007/2008 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
--World-- -	382,623	63,266	63,366	39,352	548,608
Taiwan	0	0	26,235	24,992	51,227
Korea, North	29,359	46,268	37,111	14,227	126,964
Bangladesh	80	34	0	132	246
Liberia	0	0	0	2	2
Germany	0	0	0	0	0
Sierra Leone	0	0	0	0	0
South Africa	0	0	0	0	0
Thailand	0	0	0	0	0
Japan	68,633	2,296	0	0	70,928
Chile	0	0	0	0	0
Others	284,552	14,669	20	0	299,241
Source: China Customs					
HS Codes:10051000,10059000					

China Corn Exports by Destination, MY 2008/2009 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
--World-- -	86,552				86,552
Taiwan	86,520				86,520
Korea, North	0				0
Bangladesh	20				20
Liberia	0				0
Germany	0				0
Sierra Leone	0				0
South Africa	0				0
Thailand	0				0
Japan	12				12
Chile	0				0
Others	0				0
Source: China Customs					
HS Codes:10051000,10059000					

China Corn Imports by Origin, MY 2007/2008 (Metric Tons)
--

Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
World	25,119	899	7,642	7,603	41,264
Laos	8,259	0	0	858	9,117
Myanmar	15,098	150	5,446	5,471	26,164
United States	1,634	692	2,163	1,274	5,762
Peru	120	0	0	0	120
Germany	6	26	7	0	39
Taiwan	0	0	0	0	0
Philippines	2	0	0	0	3
Chile	0	4	10	0	15
South Africa	0	0	0	0	0
China	0	0	0	0	0
Others	0	27	15	0	43
Source: China Customs					
HS Codes:10051000,10059000					

China Corn Imports by Origin, MY 2008/2009 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
World	33,029				33,029
Laos	18,766				18,766
Myanmar	13,404				13,404
United States	743				743
Peru	100				100
Germany	10				10
Taiwan	6				6
Philippines	0				0
Chile	0				0
South Africa	0				0
China	0				0
Others	0				0
Source: China Customs					
HS Codes:10051000,10059000					

CHINA CORN IMPORTS BY MONTH							
(Metric Tons)							
	2002	2003	2004	2005	2006	2,007	2,008
January	2,449	4	34	20	2433	611	167
February	378	3	3	113	77	2,243	145
March	3,237	7	89	138	6	3,515	587
April	42	11	3	154	232	12	978
May	23	2	41	37	184	227	4,832
June	6	1	104	0	274	129	1,832
July	2		44	69	94	279	3,365
August	55	4	683	321	52150	1,733	2,964
September	75	14	1,062	483	4097	1,329	1,274
October	21	0	141	339	2025	3,073	5,693
November	19	54	0	217	2767	10,055	18,649
December	15	20	104	2,083	877	11,991	8,686
JAN-DEC TOTAL	6,322	120	2,308	3,975	65,216	35,198	49,173
	(02/03)	(03/04)	(04/05)	(05/06)	(06/07)	(07/08)	*(08/09)
OCT-SEP MY TOTAL	101	2,137	1,581	62,186	15,748	41,264	33,029
* year to date							
HS Code: 1005.1000, 1005.9000							
Source: PRC Customs							

CHINA'S CORN EXPORTS BY MONTH						
(Metric Tons)						
	2003	2004	2005	2006	2007	2008
January	570,290	574,731	485,419	413,848	937,538	15,857
February	1,765,212	443,422	119,673	1,005,517	770,248	29,261
March	1,596,104	16,068	1,103,745	771,717	1,127,187	18,148
April	551,026	72,177	529,075	40,086	578,553	26,235
May	392,106	358,111	765,548	16,658	28,041	0
June	1,818,844	165,090	1,920,091	3,923	160,399	37,131
July	1,446,253	157,186	1,092,704	5,508	251,308	14,259
August	1,182,624	55,373	594,601	5,487	227,792	25,093
September	1,396,462	40,614	543,503	6,798	384,063	0
October	1,531,617	48,572	400,797	73,467	213,226	25,007
November	858,522	43,284	467,947	261,589	125,454	23,506
December	3,280,392	343,533	588,711	469,401	43,943	38,039
JAN-DEC TOTAL	16,389,452	2,318,161	8,611,815	3,073,999	4,847,753	252,537
	(03/04)	(04/05)	(05/06)	(06/07)	(07/08)	(08/09)
OCT-SEP MY TOTAL	7,553,303	7,589,748	3,726,997	5,269,587	548,608	86,552
* year to date						
HS Code: 1005.1000, 1005.9000						
Source: PRC Customs						

Table10. Wheat Trade Table

China Wheat Imports by Origin, MY 2007/2008 (1,000 Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	April-Jun	Total
--World-- -	14	13	6	6	39
Australia	3	1	1	1	6
Japan	2	2	1	1	5
Thailand	1	1	1	1	3
Italy	1	1	1	1	4
Korea, South	1	1	1	1	3
Hong Kong	0	0	0	0	1
United States	6	6	0	0	12
Taiwan	0	0	0	0	1
Spain	0	0	0	0	0
Russia	0	0	0	0	1
Others	1	1	1	1	3
Source: China Customs					
HS Codes:10011000,10019010,10019090,11010000,19021900,19023030,19023090, 19024000					

China Wheat Imports by Origin, MY 2008/09 (1,000 Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	April-Jun	Total
--World-- -	6	37			43
Australia	1	32			34
Japan	1	1			2
Thailand	1	1			2
Italy	1	1			1
Korea, South	1	1			1
Hong Kong	0	0			1
United States	1	0			1
Taiwan	0	0			0
Spain	0	0			0
Russia	0	0			0
Others	1	0			1
Source: China Customs					
HS Codes:10011000,10019010,10019090,11010000,19021900,19023030,19023090, 19024000					

CHINA'S WHEAT IMPORTS BY MONTH						
(1,000 Metric Tons)						
	2003	2004	2005	2006	2007	2008
January	40	42	794	48	20	3
February	4	105	452	4	48	2
March	54	120	664	98	2	2
April	46	439	321	72	6	2
May	31	789	242	62	6	2
June	5	1,236	303	51	4	2
July	5	748	174	50	3	3
August	47	654	190	49	6	2
September	112	859	86	67	5	2
October	16	1,009	163	76	3	2
November	34	640	93	33	7	2
December	79	628	72	15	3	34
JAN-DEC TOTAL	473	7,269	3,555	625	112	58
	(03/04)	(04/05)	(05/06)	(06/07)	(07/08)	(08/09)
JUL-JUN MY TOTAL	3,024	7,314	1,113	375	40	*45
* year to date						
Source: PRC Customs						
HS Code: 1001.1000, 1001.9010, 1001.9090, 1101.0000, 1902.1100, 1902.1900, 1902.3030, 1902.3090, and 1902.4000						

China Wheat Exports by Destination, MY 2007/2008 (1,000 Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	April-Jun	Total
--World-- -	1,008	1,007	244	95	2,353
Hong Kong	39	44	39	43	165
Korea, South	455	118	13	11	597
United Kingdom	4	4	4	4	16
Canada	2	3	3	3	11
United States	3	4	4	4	15
Korea, North	34	52	7	6	99
Germany	2	2	2	3	9
Macau	1	1	1	2	5
Australia	1	1	2	2	6
Netherlands	1	1	1	1	4
Others	465	776	168	16	1,425
Source: China Customs					
HS Codes: 10011000, 10019010, 10019090, 11010000, 19021900,					
19023030, 19023090, 19024000					

China Wheat Exports by Destination, MY 2008/2009 (1,000 Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	April-Jun	Total
--World-- -	104	91			195
Hong Kong	49	49			97
Korea, South	7	7			14
United Kingdom	5	5			10
Canada	3	4			7
United States	5	3			8
Korea, North	14	3			17
Germany	3	2			5
Macau	2	2			4
Australia	2	1			3
Netherlands	1	1			3
Others	15	13			27
Source: China Customs					
HS Codes: 10011000, 10019010, 10019090, 11010000, 19021900					
, 19023030, 19023090, 19024000					

CHINA'S WHEAT EXPORTS BY MONTH						
(1,000 Metric Tons)						
	2003	2004	2005	2006	2007	2008
January	86	94	41	61	221	132
February	133	164	38	52	76	69
March	166	105	52	45	108	43

April	104	127	42	203	179	31
May	308	169	80	143	306	32
June	191	103	80	63	347	31
July	232	63	103	118	345	36
August	240	95	45	125	305	36
September	291	52	72	180	358	33
October	422	106	40	67	238	29
November	195	83	47	351	357	29
December	417	62	115	273	411	34
JAN-DEC TOTAL	2,785	1,223	755	1,681	3,252	535
	(03/04)	(04/05)	(05/06)	(06/07)	(07/08)	*(08/09)
JUL-JUN MY TOTAL	2,559	793	989	2,351	2,353	197
* year to date						
Source: PRC Customs						
HS Code: 1001.1000, 1001.9010, 1001.9090, 1101.0000, 1902.1100,						
1902.1900, 1902.3030, 1902.3090, and 1902.4000						

Table 11. Rice Trade Table

China Rice Imports by Origin MY 2007/2008 (Metric Tons)					
Country	Jan-Mar	April-Jun	Jun-Sept	Sep-Dec	Total
Country	Jan-Mar	April-Jun	Jun-Sept	Sep-Dec	Total
World	172,062	41,859	10,064	71,585	295,570
Thailand	168,810	40,676	9,356	67,556	286,397
Myanmar	50	850	200	1,788	2,888
Laos	2,400	110	445	1,362	4,317
Vietnam	540	0	0	776	1,316
Pakistan	118	223	48	73	462
Japan	100	0	10	30	140
Taiwan	0	0	0	1	1
United Kingdom	0	0	0	0	0
Philippines	0	0	0	0	0
Macau	0	0	0	0	0
Source: China Customs					
HS Codes: 10061011, 10061019, 10061091, 10061099, 10062010, 10062090					
, 10063010, 10063090, 10064010, 10064090					

China Rice Exports by Destination MY 2007/2008 (Metric Tons)					
Country	Jan-Mar	April-Jun	Jun-Sept	Sep-Dec	Total
--World--	600,483	57,309	167,799	143,726	969,317
Liberia	50,328	0	25,782	70,600	146,710
Cote d'Ivoire	103,964	15,783	58,042	24,276	202,065
South Africa	4,656	2,520	1,200	10,999	19,374
Nigeria	23,000	0	20,000	10,480	53,480
Hong Kong	10,539	6,652	14,011	8,732	39,933
Vietnam	988	1,653	0	4,821	7,462
Bangladesh	80	100	4,768	3,673	8,621
Algeria	0	0	0	1,548	1,548
Macau	168	101	722	1,516	2,507
Uzbekistan	0	0	4,800	1,140	5,940
Others	406,761	30,501	38,476	5,941	481,678
Source: China Customs					
HS Codes: 10061011, 10061019, 10061091, 10061099, 10062010, 10062090					
, 10063010, 10063090, 10064010, 10064090					

CHINA'S MONTHLY RICE IMPORTS (Metric Tons, Milled Basis)						
	2003	2004	2005	2006	2007	2008
January	98,410	73,217	68,586	106,306	81,658	100,810

February	16,494	42,906	24,147	52,320	37,824	34,306
March	21,073	39,703	38,600	77,026	28,230	36,947
April	24,334	90,010	43,443	61,766	33,538	26,472
May	9,134	64,139	20,078	31,455	23,829	10,568
June	8,298	65,197	28,007	44,157	32,466	4,818
July	4,140	77,082	26,822	41,202	18,382	2,231
August	9,304	32,884	31,411	31,025	17,350	2,805
September	2,420	62,978	40,224	78,904	47,900	5,028
October	1,564	67,399	38,483	52,811	40,742	3,544
November	5,608	55,694	50,584	45,570	40,404	17,317
December	57,791	90,501	103,581	96,468	69,219	50,724
TOTAL	258,570	761,710	513,966	719,010	767,111	295,570
HS Codes: 1006.1011, 1006.1019, 1006.1091, 1006.1099, 1006.2010, 1006.2090, 1006.3010, 1006.3090, 1006.4010, 1006.4090						
Source: PRC Customs						

CHINA'S MONTHLY RICE EXPORTS (Metric Tons, Milled Basis)						
	2003	2004	2005	2006	2007	2008
January	131,654	211,346	73,325	132,225	89,970	137,767
February	308,722	258,362	92,508	103,195	161,320	207,315
March	124,402	231,601	35,508	66,573	179,239	255,400
April	129,579	23,229	36,104	107,292	61,364	31,940
May	135,023	4,522	80,091	101,494	51,144	14,414
June	314,393	10,127	84,496	92,886	57,329	10,955
July	248,894	16,483	59,461	79,838	87,746	23,827
August	233,489	6,597	41,595	88,380	110,516	95,414
September	254,628	14,844	29,428	75,221	57,974	48,559
October	201,805	22,781	28,138	108,215	127,126	56,541
November	294,212	25,890	45,042	114,142	161,460	46,941
December	233,397	70,235	66,109	167,439	194,471	40,245
TOTAL	2,610,198	896,017	671,804	1,236,899	1,339,658	969,317
HS Codes: 1006.1011, 1006.1019, 1006.1091, 1006.1099, 1006.2010, 1006.2090						
1006.3010, 1006.3090, 1006.4010, 1006.4090						
Source: PRC Customs						

Table 12. Barley Trade Table

China Barley Imports by Origin, MY 2007/2008 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
--World-- -	158,040	339,492	433,163	160,265	1,090,960
Australia	71,262	215,464	275,127	150,022	711,875
France	43,915	17,746	12,522	10,243	84,426
Canada	42,863	98,509	111,865	0	253,238
Germany	0	0	0	0	0
Syria	0	0	0	0	0
Japan	0	0	0	0	0
Lebanon	0	0	0	0	0
China	0	0	0	0	0
Taiwan	0	0	0	0	0
Belgium	0	1,298	0	0	1,298
Others	0	6,475	33,648	0	40,123
Source: China Customs					
HS Codes: 10030010, 10030090					

China Barley Imports by Origin, MY 2008/2009 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
--World-- -	143,491				143,491
Australia	92,667				92,667
France	40,726				40,726
Canada	8,800				8,800
Germany	1,298				1,298
Syria	0				0
Japan	0				0
Lebanon	0				0
China	0				0
Taiwan	0				0

Belgium	0				0
Others	0				0
Source: China Customs					
HS Codes:10030010,10030090					

China Barley Exports by Destination, MY 2007/2008 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
World	72,617	5,905	160	2,115	80,796
Japan	27,471	3,758	0	0	31,229
Korea, South	1,535	1,611	0	2,115	5,261
Taiwan	0	145	40	0	185
Thailand	0	0	0	0	0
Vietnam	0	0	0	0	0
Tajikistan	0	0	120	0	120
Belgium	0	0	0	0	0
Germany	0	0	0	0	0
Italy	0	0	0	0	0
Russia	45	0	0	0	45
Others	43,566	390	0	0	43,956
Source: China Customs					
HS Codes:10030010,10030090					

China Barley Exports by Destination, MY 2008/2009 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
--World--	6,362				6,362
Japan	4,759				4,759
Korea, South	1,600				1,600
Taiwan	3				3
Thailand	0				0
Vietnam	0				0
Tajikistan	0				0
Belgium	0				0
Germany	0				0
Italy	0				0
Russia	0				0
Others	0				0

Table13. Sorghum Trade Table

China Sorghum Imports by Origin, MY 2007/2008(Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
--World-- -	1,269	6,424	3,194	1,259	12,146
Myanmar	1,264	2,424	2,179	1,259	7,126
India	0	0	0	0	0
Japan	0	0	0	0	0
Philippines	0	0	0	0	0
Korea, South	0	0	0	0	0
South Africa	0	0	0	0	0
Sudan	0	4,000	1,000	0	5,000
Argentina	0	0	0	0	0
Brazil	0	0	0	0	0
Guatemala	0	0	0	0	0
Others	5	0	15	0	20
Source: China Customs					
HS Codes:10070010,10070090					

China Sorghum Imports by Origin, MY 2008/2009(Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
--World-- -	1,955				1,955
Myanmar	1,955				1,955
India	0				0
Japan	0				0
Philippines	0				0
Korea, South	0				0
South Africa	0				0
Sudan	0				0
Argentina	0				0
Brazil	0				0

Guatemala	0				0
Others	0				0
Source: China Customs					
HS Codes:10070010,10070090					

China Sorghum Export by Destination, MY 2007/2008(Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
--World-- -	105,526	94,910	17,401	5,387	223,225
Taiwan	10,864	9,717	1,220	4,856	26,657
Korea, South	5,653	6,858	160	30	12,701
Japan	78,759	74,749	15,437	30	168,975
Germany	11	0	0	0	11
Panama	0	0	0	0	0
Guatemala	0	0	0	0	0
Bulgaria	0	0	8	0	8
Hungary	0	0	0	0	0
Norway	206	207	0	0	413
Sweden	0	23	0	0	23
Others	10,033	3,356	577	471	14,437
Source: China Customs					
HS Codes:10070010,10070090					

China Sorghum Export by Destination, MY 2009/2009(Metric Tons)					
Country	Oct-Dec	Jan-Mar	April-Jun	Jun-Sept	Total
--World-- -	3,774				3,774
Taiwan	2,350				2,350
Korea, South	1,380				1,380
Japan	34				34
Germany	7				7
Panama	3				3
Guatemala	0				0
Bulgaria	0				0
Hungary	0				0
Norway	0				0
Sweden	0				0
Others	0				0
Source: China Customs					
HS Codes:10070010,10070090					